

CITY OF RICHMOND

Richmond, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2017

CITY OF RICHMOND

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INDEPENDENT AUDITOR'S REPORT

City Council
City of Richmond
Richmond, Kansas

Report on the Financial Statement

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Richmond, Kansas, as of and for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the City of Richmond, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Richmond, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Richmond, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Prior Year Comparative

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2017 basic financial statement upon which we have rendered an unmodified opinion dated April 17, 2019. The 2016 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used into prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered
April 17, 2019

City of Richmond, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS For the Year Ended December 31, 2017

Fund	Unencumbered Cash Balance Beginning of Year	Cash Receipts
Governmental Fund Types		
General	\$ 313,577	\$ 263,021
Special Purpose Funds		
Library	0	15,286
Parks and recreation	5,845	6,976
Special highway	49,283	12,120
Fishing	2,530	1,313
Capital Improvement	150,636	0
Capital Project Funds		
Capital Projects	0	0
Business Funds		
Water system operating account	79,466	96,510
Sewer system operating account	61,081	45,394
	<u>662,418</u>	<u>440,620</u>
Related Municipal Entity		
Library	6,860	37,436
Library - Capital improvement	380	131
	<u>7,240</u>	<u>37,567</u>
Total Reporting Entity	\$ <u>669,658</u>	\$ <u>478,187</u>

Composition of Cash:

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Unencumbered Cash Balance End of Year</u>	<u>Outstanding Accounts Payable and Encumbrances</u>	<u>Cash Balance End of Year</u>
\$ 216,431	\$ 360,167	\$ 109	\$ 360,276
14,920	366	0	366
7,606	5,215	0	5,215
1,438	59,965	0	59,965
1,695	2,148	0	2,148
0	150,636	0	150,636
0	0	0	0
121,613	54,363	43	54,406
34,225	72,250	0	72,250
397,928	705,110	152	705,262
37,798	6,498	0	6,498
0	511	0	511
37,798	7,009	0	7,009
\$ 435,726	\$ 712,119	\$ 152	\$ 712,271
Interest-bearing transaction accounts:			
City		\$	718,902
Library			7,009
Total reporting entity			725,911
Less agency funds			(13,640)
		\$	712,271

The accompanying notes are an integral part of this statement.

CITY OF RICHMOND

NOTES TO FINANCIAL STATEMENT

December 31, 2017

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Richmond is incorporated under the laws of the State of Kansas and operates under an elected Mayor-Council form of government. This financial statement presents the City of Richmond (the municipality). Also presented in the financial statement is Library which is a related municipality entity. The Library provides library services to the area. The Library board is appointed by the City. The City appropriates and distributes tax monies to the Library.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potential could have the following types of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipality reporting entity scholarship funds, etc). The City did not have any trust funds for the year presented.

Agency Fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, tax collection accounts, etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

CITY OF RICHMOND

NOTES TO FINANCIAL STATEMENT

December 31, 2017

NOTE C. BASIS OF ACCOUNTING- continued

City of Richmond has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board. The following funds are not required to have a published budget.

Capital Project

Library

Library Capital Improvement

CITY OF RICHMOND

NOTES TO FINANCIAL STATEMENT

December 31, 2017

NOTE E. DEPOSITS AND INVESTMENTS

City

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2017.

At December 31, 2017, the carrying amount of the City's bank deposits was \$718,902 (which includes \$295 in petty cash) and the bank balance was \$746,364. The bank balance was held by one bank resulting in a concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$250,000 was covered by federal depository insurance coverage. \$496,364 was covered by pledged securities.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

Library

K.S.A. 9-1401 establishes the depositories which may be used by the Library. The statute requires banks eligible to hold the Library's funds have a main or branch bank in the county in which the Library is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The Library has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Library's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Library has no investment policy that would further limit its investment choices.

Concentration of credit risk - State statutes place no limit on the amount the Library may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Library has no investments.

CITY OF RICHMOND

NOTES TO FINANCIAL STATEMENT

December 31, 2017

NOTE E. CASH AND INVESTMENTS - continued

Library - continued

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. State statutes require the Library's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2017.

At December 31, 2017, the carrying amount of the Library's bank deposits was \$7,009 (which includes \$351 in petty cash) and the bank balance was \$7,065. The bank balance was held by two banks resulting in a reduction in concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$7,065 was covered by federal depository insurance coverage.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

NOTE F. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>Transfer from:</u>	<u>Transfer to:</u>	<u>Statutory Authority</u>	<u>Amount</u>
No transfers in 2017			\$ -

NOTE G. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

Other Post Employment Benefits: As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (CORBA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences: Employees of the City are entitled to paid vacation and paid sick days off, depending on job classification, length of service and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The City's policy is to recognize the costs of compensated absences when actually paid to employees.

NOTE H. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publically available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at www.kpers.org or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

CITY OF RICHMOND

NOTES TO FINANCIAL STATEMENT

December 31, 2017

NOTE H. DEFINED BENEFIT PENSION PLAN - continued

Contributions - KSA 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2016. Effective January 1, 2016 Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$9,617 for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017, the City's proportionate share of the collective net pension liability reported to KPERS was \$78,955. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE I. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE J. LONG-TERM DEBT

During 2016, the City issued general obligation bonds pursuant to K.S.A. 65-163u and K.S.A. 10-101 *et seq.* The total amount of the bonds issued during 2016 was \$742,000 at an interest rate of 2.625% with a final maturity date of 12/17/2055.

CITY OF RICHMOND

NOTES TO FINANCIAL STATEMENT

December 31, 2017

NOTE J. LONG-TERM DEBT - Continued

Changes in long-term liabilities for the City for the year ended December 31, 2017, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General obligation bonds: Series 2015	2.625%	12/17/2015	742,000	12/17/2055

	Balance Beginning of Year	Additions	Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds: Series 2015	\$ 731,293	\$ 0	\$ 10,988	\$ (10,988)	\$ 720,305	\$ 19,196

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity: are as follows:

Principal:	2018	2019	2020	2021	2022
General obligation bonds	\$ 11,276	\$ 11,572	\$ 11,876	\$ 12,188	\$ 12,507
Interest:					
General obligation bonds	18,908	18,612	18,308	17,996	17,677
Total principal and interest	\$ 30,184	\$ 30,184	\$ 30,184	\$ 30,184	\$ 30,184
Principal:	2023-2027	2028-2032	2033-2037	2038-2042	2043-2047
General obligation bonds	\$ 67,638	\$ 76,994	\$ 87,644	\$ 99,767	\$ 113,568
Interest:					
General obligation bonds	83,282	73,926	63,276	51,153	37,353
Total principal and interest	\$ 150,920	\$ 150,920	\$ 150,920	\$ 150,920	\$ 150,921
Principal:	2048-2052	2053-2055	Total		
General obligation bonds	\$ 129,277	\$ 85,998	\$ 720,305		
Interest:					
General obligation bonds	21,644	4,554	426,689		
Total principal and interest	\$ 150,920	\$ 90,552	\$ 1,146,994		

CITY OF RICHMOND

NOTES TO FINANCIAL STATEMENT

December 31, 2017

NOTE K. OTHER INFORMATION

Ad Valorem Tax Revenue: The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20 and distributed to the City by January 20 to finance a portion of the current year's budget. The second half is due May 20 and distributed to the City by June 5. The City draws available funds from the County Treasurer's office at designated times throughout the year.

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as receipts in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality.

Library fund has a budget violation. Management is not aware of any other statutory violations in the period covered by this audit.

NOTE K. SUBSEQUENT EVENTS

Subsequent Events: The City evaluated subsequent events through April 17, 2019, the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.

**REGULATORY BASIS
SUPPLEMENTARY INFORMATION**

City of Richmond, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2017

Fund	Certified Budget	Adjustments for Qualifying Budget Credits
Governmental Type Funds		
General	\$ 496,602	\$ 0
Special Purpose Funds		
Library	14,659	0
Parks and recreation	11,558	0
Special highway	46,702	0
Fishing	2,858	0
Capital Improvement	188,295	0
Business Funds		
Water system operating account	184,500	0
Sewer system operating account	86,777	0

See Independent Auditor's Report.

	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
\$	496,602	\$ 216,431	\$ (280,171)
	14,659	14,920	261
	11,558	7,606	(3,952)
	46,702	1,438	(45,264)
	2,858	1,695	(1,163)
	188,295	0	(188,295)
	184,500	121,613	(62,887)
	86,777	34,225	(52,552)

City of Richmond, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With comparative actual totals for the prior year ended December 31, 2016)

		<u>2017</u>		Variance Over (Under)
	<u>2016 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes				
Ad valorem property tax	\$ 96,305	\$ 96,432	\$ 104,820	\$ (8,388)
Delinquent taxes	7,265	7,510	0	7,510
Vehicle tax	15,227	16,190	15,194	996
RV tax	137	181	180	1
16/20M Vehicle Tax	46	53	118	(65)
Commercial vehicle	2,536	2,417	0	2,417
Watercraft tax	60	58	52	6
Sales and use tax	78,771	80,105	78,000	2,105
Franchise tax	26,286	26,565	25,000	1,565
Dog/cat licenses	285	70	0	70
Building permits	2,275	75	2,500	(2,425)
Fines and fees	200	0	500	(500)
Trash	25,297	24,139	23,000	1,139
Late charges	5,518	0	5,500	(5,500)
Interest	325	372	150	222
Miscellaneous	6,058	5,177	0	5,177
Other	0	0	5,000	(5,000)
Reimbursements	2,865	3,677	0	3,677
Total receipts	<u>269,456</u>	<u>263,021</u>	<u>\$ 260,014</u>	<u>\$ 3,007</u>
Expenditures				
General Government				
Personal Services	73,199	80,920	\$ 95,000	\$ (14,080)
Health Insurance	11,806	11,223	0	11,223
Contractual Services	31,768	41,499	110,000	(68,501)
Insurance	25,202	25,335	0	25,335
Materials and supplies	3,566	5,918	30,000	(24,082)
Cash forward Capital Outlay	0	0	167,943	(167,943)
Machinery and equipment	10	11,006	0	11,006
Remittances	25	50	0	50
Total general expenditures	<u>145,576</u>	<u>175,951</u>	<u>402,943</u>	<u>(226,992)</u>
Street Lights				
Contractual	<u>15,440</u>	<u>15,499</u>	<u>30,000</u>	<u>(14,501)</u>
Trash				
Contractual services	<u>24,881</u>	<u>24,981</u>	<u>26,000</u>	<u>(1,019)</u>
Transfers Out	<u>37,659</u>	<u>0</u>	<u>37,659</u>	<u>(37,659)</u>
Total expenditures	<u>223,556</u>	<u>216,431</u>	<u>\$ 496,602</u>	<u>\$ (280,171)</u>

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With comparative actual totals for the prior year ended December 31, 2016)

		<u>2017</u>		<u>Variance Over (Under)</u>
	<u>2016 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts over (under) expenditures	\$ 45,900	\$ 46,590		
Unencumbered Cash, beginning of year	<u>267,677</u>	<u>313,577</u>		
Unencumbered Cash, end of year	\$ <u>313,577</u>	\$ <u>360,167</u>		

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With comparative actual totals for the prior year ended December 31, 2016)

		<u>2017</u>		<u>Variance</u>
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Receipts				
Taxes				
Ad valorem property tax	\$ 12,023	\$ 11,972	\$ 11,384	\$ 588
Delinquent taxes	928	955	980	(25)
Vehicle taxes	1,299	2,024	1,958	66
16/20M Vehicle Tax	6	3	6	(3)
RV tax	14	23	20	3
Commercial Vehicle tax	317	302	311	(9)
Watercraft tax	8	7	0	7
Total receipts	<u>14,595</u>	<u>15,286</u>	<u>\$ 14,659</u>	<u>\$ 627</u>
Expenditures				
Culture and recreation				
Appropriations	<u>14,595</u>	<u>14,920</u>	<u>\$ 14,659</u>	<u>\$ 261</u>
Total expenditures	<u>14,595</u>	<u>14,920</u>	<u>\$ 14,659</u>	<u>\$ 261</u>
Receipts over (under) expenditures	0	366		
Unencumbered Cash, beginning of year	<u>0</u>	<u>0</u>		
Unencumbered Cash, end of year	<u>\$ 0</u>	<u>\$ 366</u>		

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS
PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With comparative actual totals for the prior year ended December 31, 2016)

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Taxes				
Ad valorem property tax	\$ 5,501	\$ 5,526	\$ 6,006	\$ (480)
Delinquent taxes	370	383	0	383
Vehicle taxes	549	914	868	46
16/20M Vehicle Tax	3	2	7	(5)
RV tax	5	10	10	0
Commercial vehicle tax	96	138	0	138
Watercraft tax	<u>2</u>	<u>3</u>	<u>3</u>	<u>0</u>
Total receipts	<u>6,526</u>	<u>6,976</u>	\$ <u>6,894</u>	\$ <u>82</u>
Expenditures				
Parks and Recreation				
Contractual services	940	1,934	\$ 3,000	\$ (1,066)
Materials and supplies	237	0	2,860	(2,860)
Appropriation	<u>5,221</u>	<u>5,672</u>	<u>5,698</u>	<u>(26)</u>
Total expenditures	<u>6,398</u>	<u>7,606</u>	\$ <u>11,558</u>	\$ <u>(3,952)</u>
Receipts over (under) expenditures	128	(630)		
Unencumbered Cash, beginning of year	<u>5,717</u>	<u>5,845</u>		
Unencumbered Cash, end of year	\$ <u>5,845</u>	\$ <u>5,215</u>		

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With comparative actual totals for the prior year ended December 31, 2016)

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Intergovernmental				
State funds	\$ 12,099	\$ 12,090	\$ 11,860	\$ 230
Miscellaneous - sale of rock	<u>60</u>	<u>30</u>	<u>0</u>	<u>30</u>
Total receipts	<u>12,159</u>	<u>12,120</u>	\$ <u>11,860</u>	\$ <u>260</u>
Expenditures				
Contractual	0	550	\$ 25,000	\$ (24,450)
Materials and supplies	<u>728</u>	<u>888</u>	<u>21,702</u>	<u>(20,814)</u>
Total expenditures	<u>728</u>	<u>1,438</u>	\$ <u>46,702</u>	\$ <u>(45,264)</u>
Receipts over (under) expenditures	11,431	10,682		
Unencumbered Cash, beginning of year	<u>37,852</u>	<u>49,283</u>		
Unencumbered Cash, end of year	\$ <u>49,283</u>	\$ <u>59,965</u>		

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS

FISHING

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With comparative actual totals for the prior year ended December 31, 2016)

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
State aid	\$ 1,313	\$ 1,313	\$ 1,300	\$ 13
Total receipts	<u>1,313</u>	<u>1,313</u>	<u>\$ 1,300</u>	<u>\$ 13</u>
Expenditures				
Contractual	630	735	\$ 1,858	\$ (1,123)
Materials and supplies	<u>311</u>	<u>960</u>	<u>1,000</u>	<u>(40)</u>
Total expenditures	<u>941</u>	<u>1,695</u>	<u>\$ 2,858</u>	<u>\$ (1,163)</u>
Receipts over (under) expenditures	372	(382)		
Unencumbered Cash, beginning of year	<u>2,158</u>	<u>2,530</u>		
Unencumbered Cash, end of year	\$ <u>2,530</u>	\$ <u>2,148</u>		

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
CAPITAL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With comparative actual totals for the prior year ended December 31, 2016)

		<u>2017</u>		<u>Variance</u>
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Receipts				
Transfers in	\$ <u>37,659</u>	\$ <u>0</u>	\$ <u>37,659</u>	\$ <u>(37,659)</u>
Total receipts	<u>37,659</u>	<u>0</u>	<u>37,659</u>	<u>(37,659)</u>
Expenditures				
Cash forward Capital Outlay	<u>0</u>	<u>0</u>	\$ <u>188,295</u>	\$ <u>(188,295)</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>188,295</u>	<u>(188,295)</u>
Receipts over (under) expenditures	37,659	0		
Unencumbered Cash, beginning of year	<u>112,977</u>	<u>150,636</u>		
Unencumbered Cash, end of year	\$ <u>150,636</u>	\$ <u>150,636</u>		

See Independent Auditor's Report.

City of Richmond, KansasSchedule 2g

CAPITAL PROJECTS FUND
CAPITAL PROJECTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With comparative actual totals for the prior year ended December 31, 2016)

	2016 Actual	2017 Actual
Receipts		
USDA Grant	\$ 128,443	\$ 0
CDBG Grant	<u>51,408</u>	<u>0</u>
Total receipts	<u>179,851</u>	<u>0</u>
Expenditures		
Contractual	<u>7,320</u>	<u>0</u>
Total expenditures	<u>7,320</u>	<u>0</u>
Receipts over (under) expenditures	172,531	0
Unencumbered Cash, beginning of year	<u>(172,531)</u>	<u>0</u>
Unencumbered Cash, end of year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 2h

BUSINESS FUNDS
WATER SYSTEM OPERATING ACCOUNT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With comparative actual totals for the prior year ended December 31, 2016)

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Charges for services - water	\$ 92,297	\$ 94,117	\$ 100,000	\$ (5,883)
Bulk sales	2,370	2,143	0	2,143
Reconnection Fee	100	200	0	200
Miscellaneous	2,425	25	3,000	(2,975)
Reimbursements	<u>3,244</u>	<u>25</u>	<u>0</u>	<u>25</u>
 Total receipts	 <u>100,436</u>	 <u>96,510</u>	 <u>\$ 103,000</u>	 <u>\$ (6,490)</u>
 Expenditures				
Water				
Personal Services	34,820	36,135	\$ 50,000	\$ (13,865)
Health Insurance	3,935	4,707	0	4,707
Contractual Services	41,115	45,093	45,000	93
Materials and supplies	1,686	2,223	25,000	(22,777)
Cash forward Capital Outlay	0	0	34,316	(34,316)
Remittances	<u>3,913</u>	<u>3,271</u>	<u>0</u>	<u>3,271</u>
 Total water expenditures	 85,469	 91,429	 154,316	 (62,887)
 Debt service				
GO Bond Payments	<u>30,184</u>	<u>30,184</u>	<u>30,184</u>	<u>0</u>
 Total expenditures	 <u>115,653</u>	 <u>121,613</u>	 <u>\$ 184,500</u>	 <u>\$ (62,887)</u>
 Receipts over (under) expenditures	 (15,217)	 (25,103)		
 Unencumbered Cash, beginning of year	 <u>94,683</u>	 <u>79,466</u>		
 Unencumbered Cash, end of year	 <u>\$ 79,466</u>	 <u>\$ 54,363</u>		

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 2i

BUSINESS FUNDS
SEWER SYSTEM OPERATING ACCOUNT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With comparative actual totals for the prior year ended December 31, 2016)

		<u>2017</u>		Variance Over (Under)	
	2016 Actual	Actual	Budget		
Receipts					
Charges for services - sewer	\$ 44,344	\$ 45,394	\$ 43,000	\$ 2,394	
Miscellaneous - salvage	<u>50</u>	<u>0</u>	<u>0</u>	<u>0</u>	
 Total receipts	 <u>44,394</u>	 <u>45,394</u>	 <u>\$ 43,000</u>	 <u>\$ 2,394</u>	
 Expenditures					
Sewer					
Personal Services	20,996	21,793	\$ 35,000	\$ (13,207)	
Health Insurance	3,935	4,707	0	4,707	
Contractual Services	6,280	6,201	15,000	(8,799)	
Materials and supplies	878	1,524	5,000	(3,476)	
Cash forward Capital Outlay	<u>0</u>	<u>0</u>	<u>31,777</u>	<u>(31,777)</u>	
 Total expenditures	 <u>32,089</u>	 <u>34,225</u>	 <u>\$ 86,777</u>	 <u>\$ (52,552)</u>	
 Receipts over (under) expenditures	 12,305	 11,169			
 Unencumbered Cash, beginning of year	 <u>48,776</u>	 <u>61,081</u>			
 Unencumbered Cash, end of year	 <u>\$ 61,081</u>	 <u>\$ 72,250</u>			

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 2j

RELATED MUNICIPAL ENTITY
LIBRARY

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With comparative actual totals for the prior year ended December 31, 2016)

	2016		2017
	Actual		Actual
Receipts			
City appropriation	\$ 14,595	\$	14,920
NEKLS grant	12,246		11,534
NEKLS CE Grant	0		661
NEKLS KLTA reimbursements	0		140
E-rate	1,239		1,182
State aid	143		137
Donations/Memorials	4,527		335
Fines / Copies	429		399
Fund Raisers	2,794		4,353
Other Grants	4,337		1,674
Summer Reading	370		325
Miscellaneous	105		247
Reimbursements	0		29
Township	250		0
Wal-Mart/Dollar General Grant	0		1,500
	<hr/>		<hr/>
Total receipts	41,035		37,436
	<hr/>		<hr/>
Expenditures			
Salaries and wages	21,037		22,124
Payroll Taxes	1,540		1,728
Automation	450		450
Utilities	1,447		1,494
Phone & Internet	1,968		1,733
Collection Material - Books	3,565		3,049
Movies/music	1,199		1,437
Periodicals	54		100
E-Content	100		100
Insurance	772		770
Summer reading	210		300
Other Programs	0		150
Continuing education	608		1,949
Office machines	0		0
Postage courier	301		287
Office supplies	519		560
Repair/Maintenance	235		100
Staff & Board Subscriptions	841		315
Fund Raisers	165		477
Hoopla	0		66
Donations/Memorials	1,831		416
Wal-Mart Carry over	0		193
Miscellaneous	162		0
Wal-Mart Grants	0		0
Computers/office	10		0
Story hour/craft days	165		0
Employee/trusts	315		0
	<hr/>		<hr/>

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 2j

RELATED MUNICIPAL ENTITY
LIBRARY

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With comparative actual totals for the prior year ended December 31, 2016)

	2016	2017
	Actual	Actual
Total expenditures	\$ <u>37,494</u>	\$ <u>37,798</u>
Receipts over (under) expenditures	3,541	(362)
Unencumbered Cash, beginning of year	<u>3,319</u>	<u>6,860</u>
Unencumbered Cash, end of year	\$ <u><u>6,860</u></u>	\$ <u><u>6,498</u></u>

See Independent Auditor's Report.

City of Richmond, KansasSchedule 2k

RELATED MUNICIPAL ENTITY
LIBRARY-CAPITAL IMPROVEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With comparative actual totals for the prior year ended December 31, 2016)

	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Receipts		
Interest	\$ 1	\$ 1
Miscellaneous	<u>15</u>	<u>130</u>
Total receipts	<u>16</u>	<u>131</u>
Expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	16	131
Unencumbered Cash, beginning of year	<u>364</u>	<u>380</u>
Unencumbered Cash, end of year	\$ <u><u>380</u></u>	\$ <u><u>511</u></u>

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 3

AGENCY FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the Year Ended December 31, 2017

	<u>Balance Beginning of Year</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Add Back Encumbrances</u>	<u>Balance End of Year</u>
Payroll clearing	\$ 0	\$ 138,516	\$ 137,859	\$ 891	\$ 1,548
Sales tax clearing	235	873	852	0	256
Water meter acct.	0	4,547	0	0	4,547
Penalty clearing	0	6,006	4,451	0	1,555
Deposit clearing acct.	<u>4,196</u>	<u>5,989</u>	<u>4,451</u>	<u>0</u>	<u>5,734</u>
Total	\$ <u>4,431</u>	\$ <u>155,931</u>	\$ <u>147,613</u>	\$ <u>891</u>	\$ <u>13,640</u>

See Independent Auditor's Report.